



HAWAIIAN HOME LANDS

HAWAIIAN HOMES COMMISSION · DEPARTMENT OF HAWAIIAN HOME LANDS

INFORMATIONAL BRIEFING

Senate Committee on Hawaiian Affairs

May 1, 2019

TODAY'S DISCUSSION

1. DHHL Funding Overview
2. `Aina Mauna status update
 - a. Feral Cattle removal RFPs
3. Comprehensive update from the Department of Hawaiian Home Lands.
 - a. Includes topics requested by the Senate Hawaiian Affairs Committee and Hawaiian Caucus



FUNDING SOURCES FOR HHCA PROGRAMS

1. Legislature (as required by Article XII) for four purposes: (1) Lots; (2) Loans; (3) Rehabilitation Projects; and (4) Administration and Operating Budget of DHHL
2. DHHL Sources of Revenue



ISSUES FACING THE TRUST FY 2013

1. Substantial DEBT
2. Two more settlement payments of \$30M
3. No general funding for operations – DHHL resources paid for operations



NELSON V. HAWAIIAN HOMES COMMISSION

1. Lawsuit brought by beneficiaries re: Article XII – Legislature shall make sufficient sums available for HHCA four purposes
2. HHC also breached responsibility by not asking for “sufficient sums”
3. Game-changer for DHHL



BUILDING THE DHHL BUDGET

What is Needed: Developing the “ASK”

Regional Priorities (Puwalu)	Address the Waitlist	Repair & Maintain Exist. Subdiv.	Loans	Rehab Projects	Admin & Oper. Expenses	Debt Service	Manage Trust Resource
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Same “ASK” Cut by Purpose

Purpose 1 LOTS	Purpose 2 LOANS	Purpose 3 REHAB PROJECTS	Purpose 4 ADMIN & OPER. EXPENSES
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Same “ASK” Cut by State Budget Request

State Operating Budget	State CIP Budget
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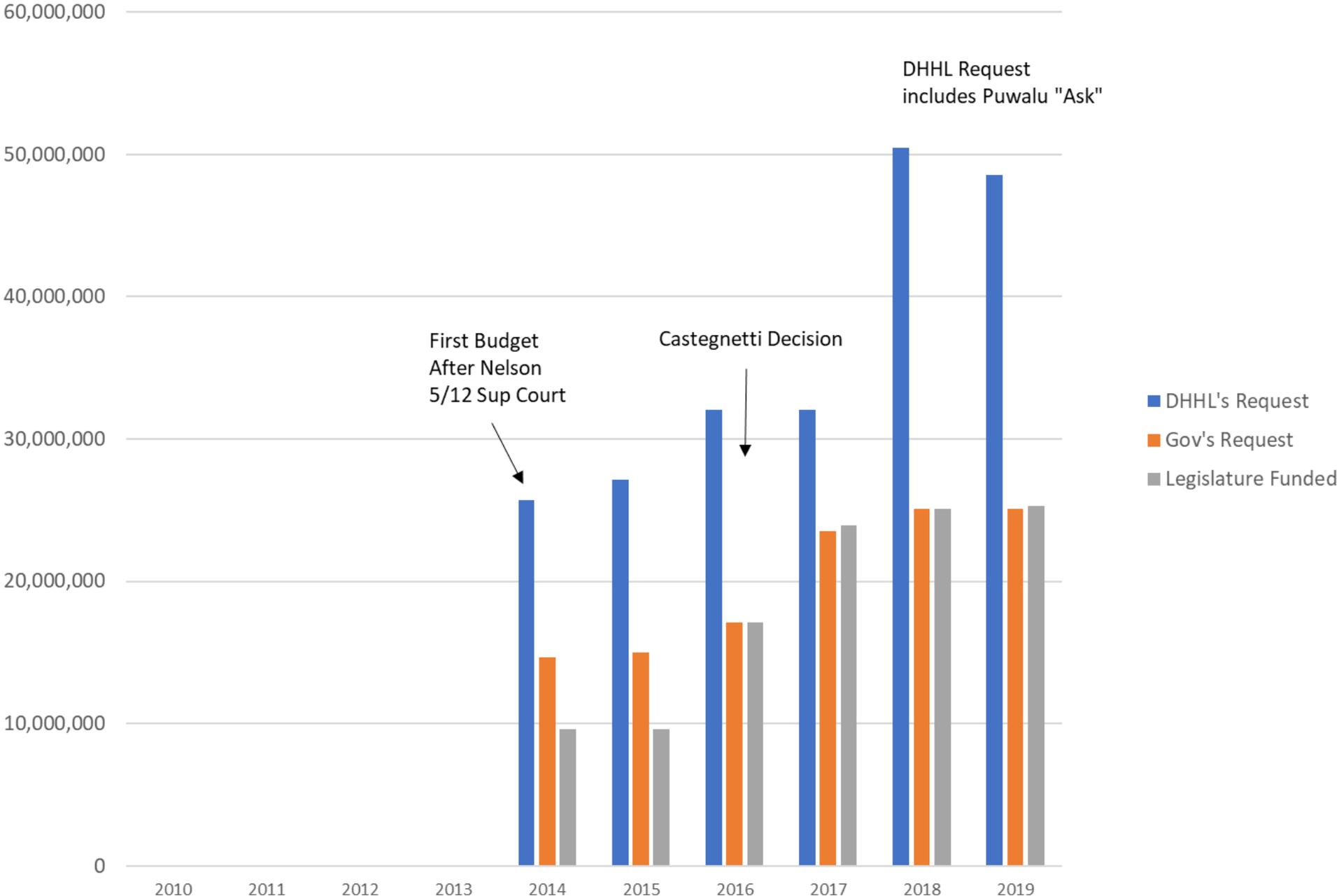


DHHL'S "SUFFICIENT FUNDS" & EXECUTIVE SUPPLEMENTAL BUDGET FY 19 – LEG. LANGUAGE

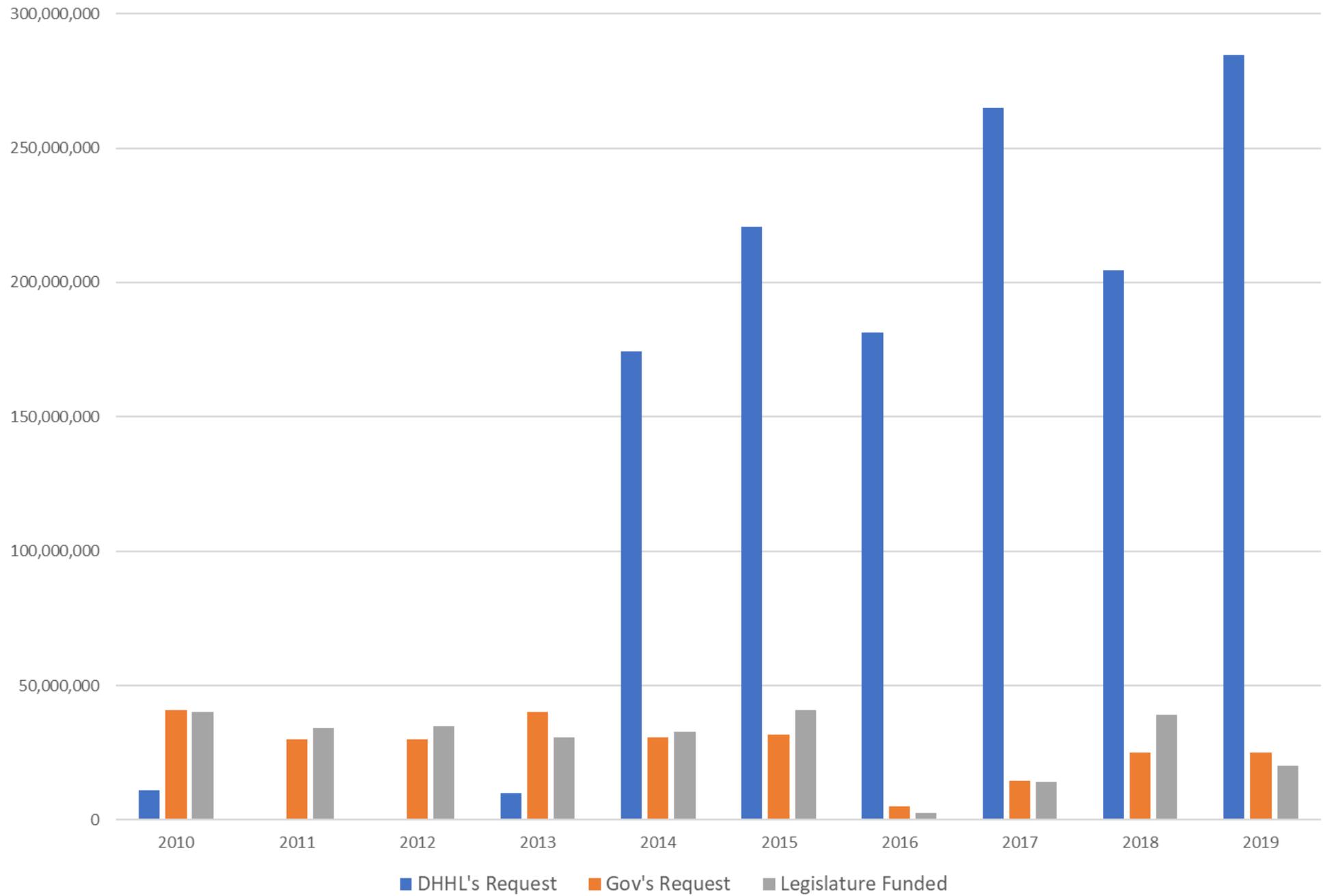
	FY2019 DHHL	FY2019 GOV	FY2019 HB1900 CD1
Request Purpose 1-3	\$262,384,100	\$15,000,000	\$17,330,000
Request Purpose 4	\$70,759,519	\$35,120,730	\$28,120,730
TOTAL	\$333,143,619	\$50,120,730	\$45,450,730
General Funds Request	\$48,553,619	\$25,120,730	\$25,320,730
GO Bonds (CIP) Request	\$284,590,000	\$25,000,000	\$20,130,000
TOTAL	\$333,143,619	\$50,120,730	\$45,450,730



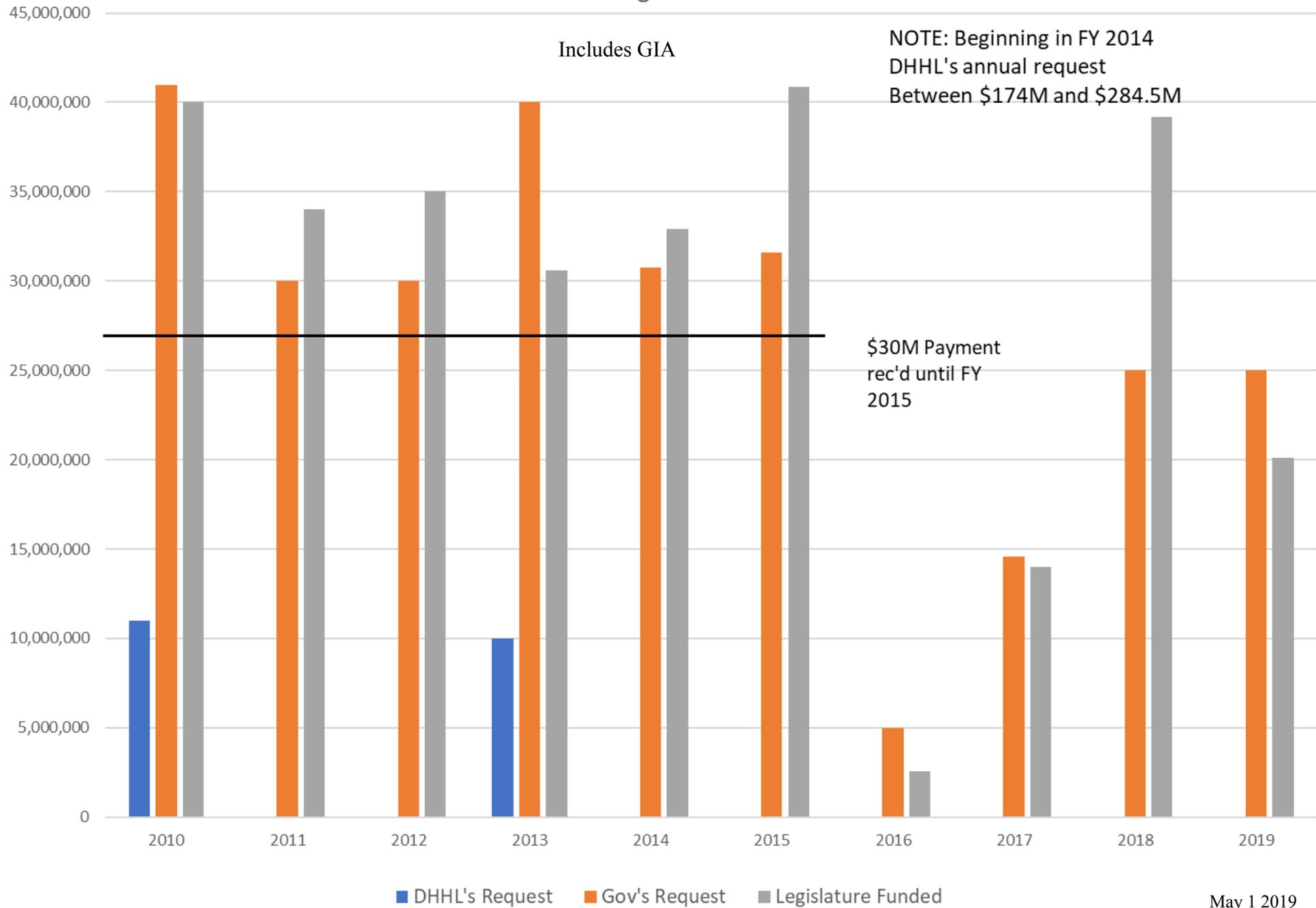
GENERAL FUNDS



General Obligation Bonds: CIP



General Obligation Bonds: CIP



DEBT ISSUES FY 2013

1. \$79.9M of Debt (end of FY 2012)
 1. 17.2M to HHFDC
 2. 22.5M for Financing of Main Office
 3. 40.2M in Revenue Bonds

2. \$6.9M Annual Payment (\$3.9M paid by DHHL)
 1. \$2.2 to HHFDC
 2. \$1.7 for Main Office
 3. \$3.0 for Revenue Bonds (Paid by OHA)



DEBT ISSUES FY 2019

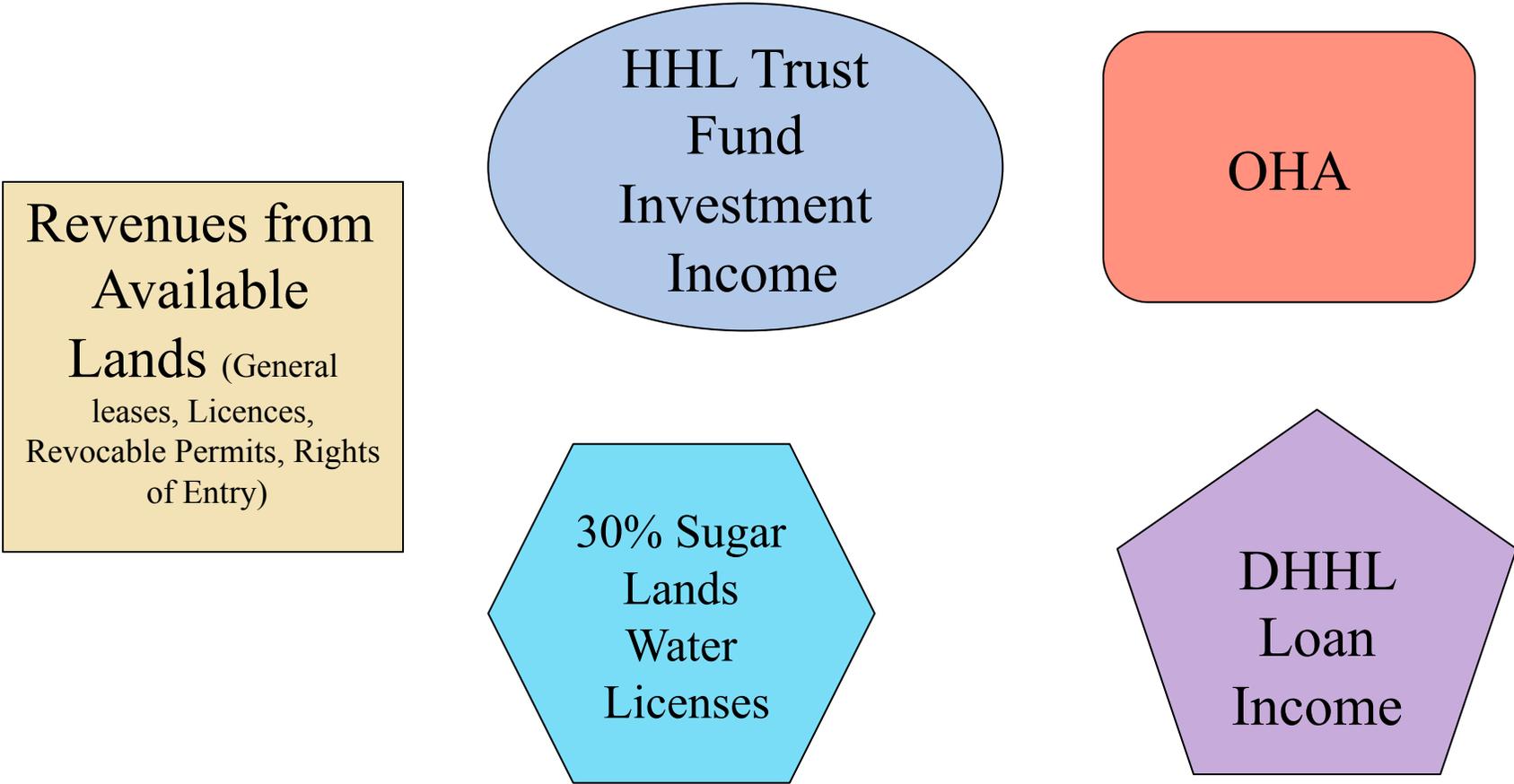
1. Refinancing of All Debt Completed

2. \$6.9M Annual Pmt – (\$1.7M Paid by DHHL)

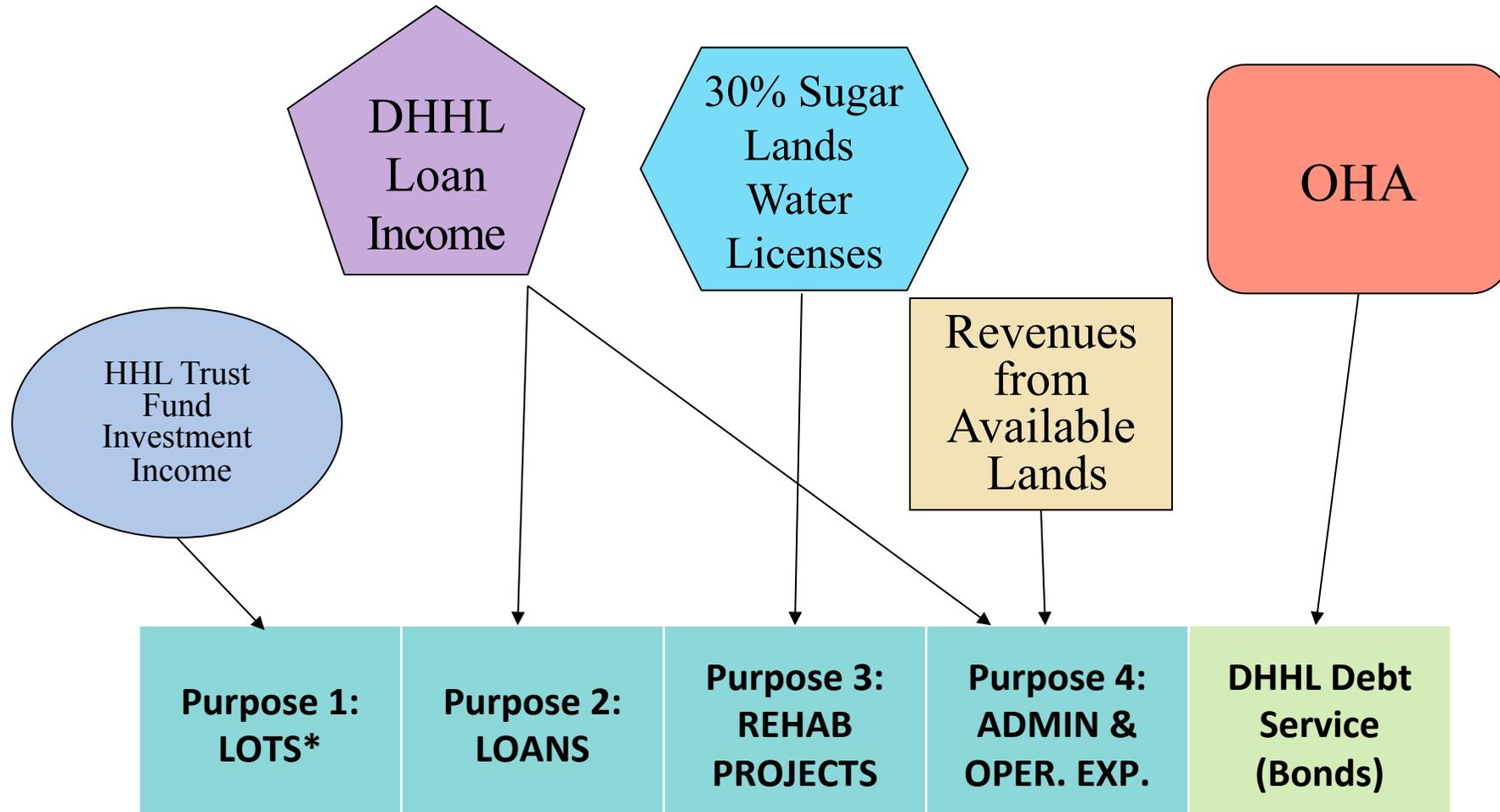
1. \$1.7 to HHFDC – (\$4.8M remaining-3 pmts)
2. \$1.4 for Main Office (paid with General Funds)
3. \$3.0 for Revenue Bonds (7 years reduced from term. \$21.6M savings. Paid by OHA)



CURRENT DHHL SOURCES OF REVENUE



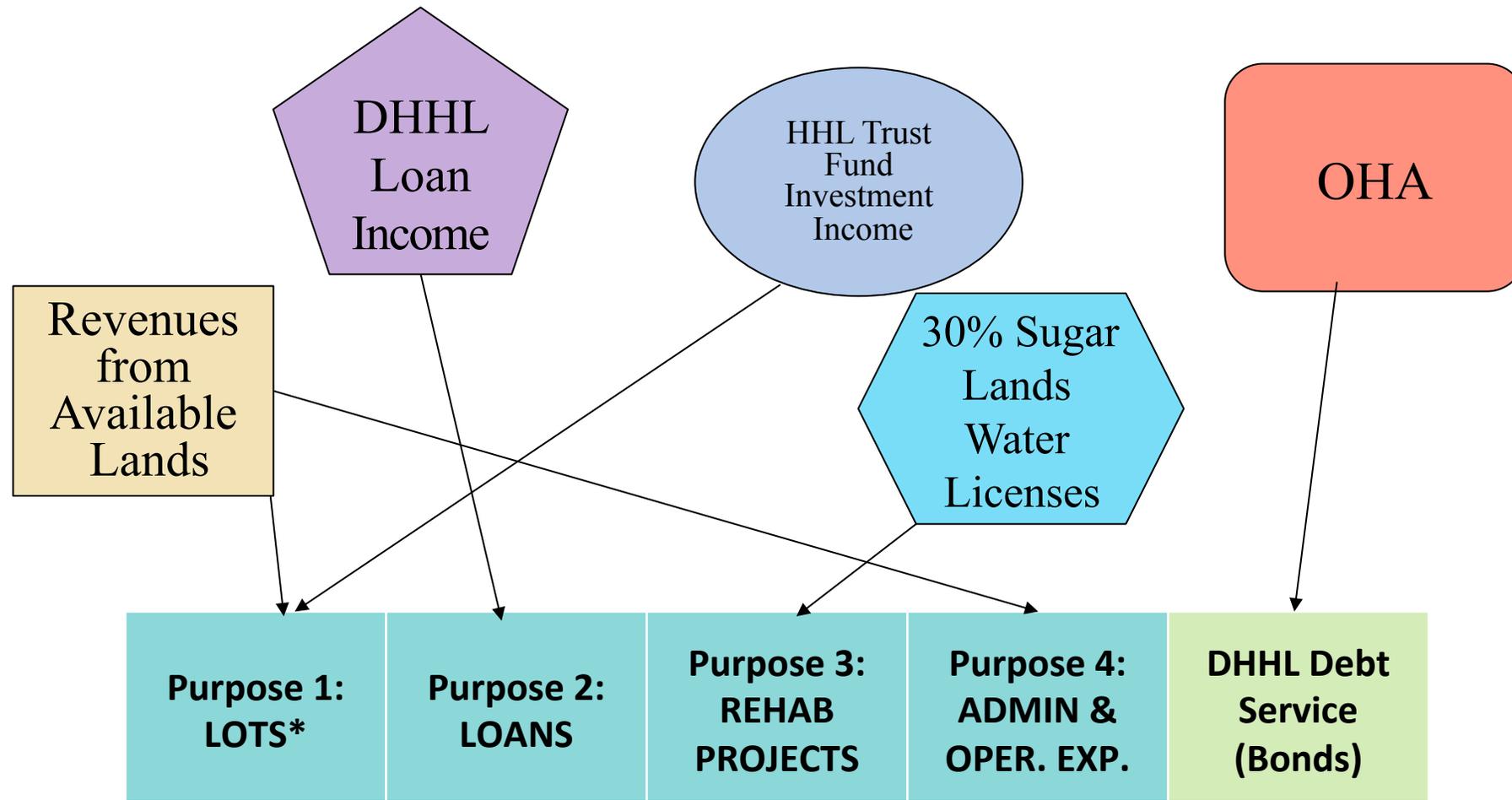
USES OF DHHL SOURCES OF REVENUE (PRE 2016-17 BUDGET)



*Includes Repair & Maintenance of Existing Infrastructure (roads, sewers, drainage, etc.)



USES OF DHHL SOURCES OF REVENUE (2016-17 BUDGET)



*Includes Repair & Maintenance of Existing Infrastructure (roads, sewers, drainage, etc.)



Revenues from Available Lands Actuals



DHHL LOAN PORTFOLIO

1. Previously interest earnings used to fund operating budget. Average of \$4.8M from FY 2011-2013
2. Beginning in about FY 2015 interest earnings deposited back into loan fund. Avg of \$4.3M annually.
3. Available balance for loans has grown from \$11.5M at end of FY 2012 to approximately \$26M at end of FY 2018 (June 30, 2018).
4. Need for more loan funds for vacant lot awardees, subsistence ag awardees, possible loans for SDU.



APPROVED DHHL BUDGET IN BRIEF FY 2018-19

Development Budget (Lots and R&M)

Trust Funds (DHHL)*	\$ 35,354,000	45%
Federal Funds (NAHASDA & USDA)	\$ 25,236,000	
Leg Appropriation	\$ 18,630,000	
TOTAL	\$ 79,220,000	

Operating Budget

General Funds (including Fringe)	\$ 25,120,730	} 27%
Special Funds (DHHL)	\$ 4,824,709	
Trust Funds (DHHL)	\$ 5,867,184	
Special Fund Rev. Bond (OHA \$3M)	\$ 3,200,000	
NAHASDA	\$1,156,400	
TOTAL	\$ 40,169,023	

Rehabilitation Projects Budget

NHRF (DHHL)	\$ 1,200,000
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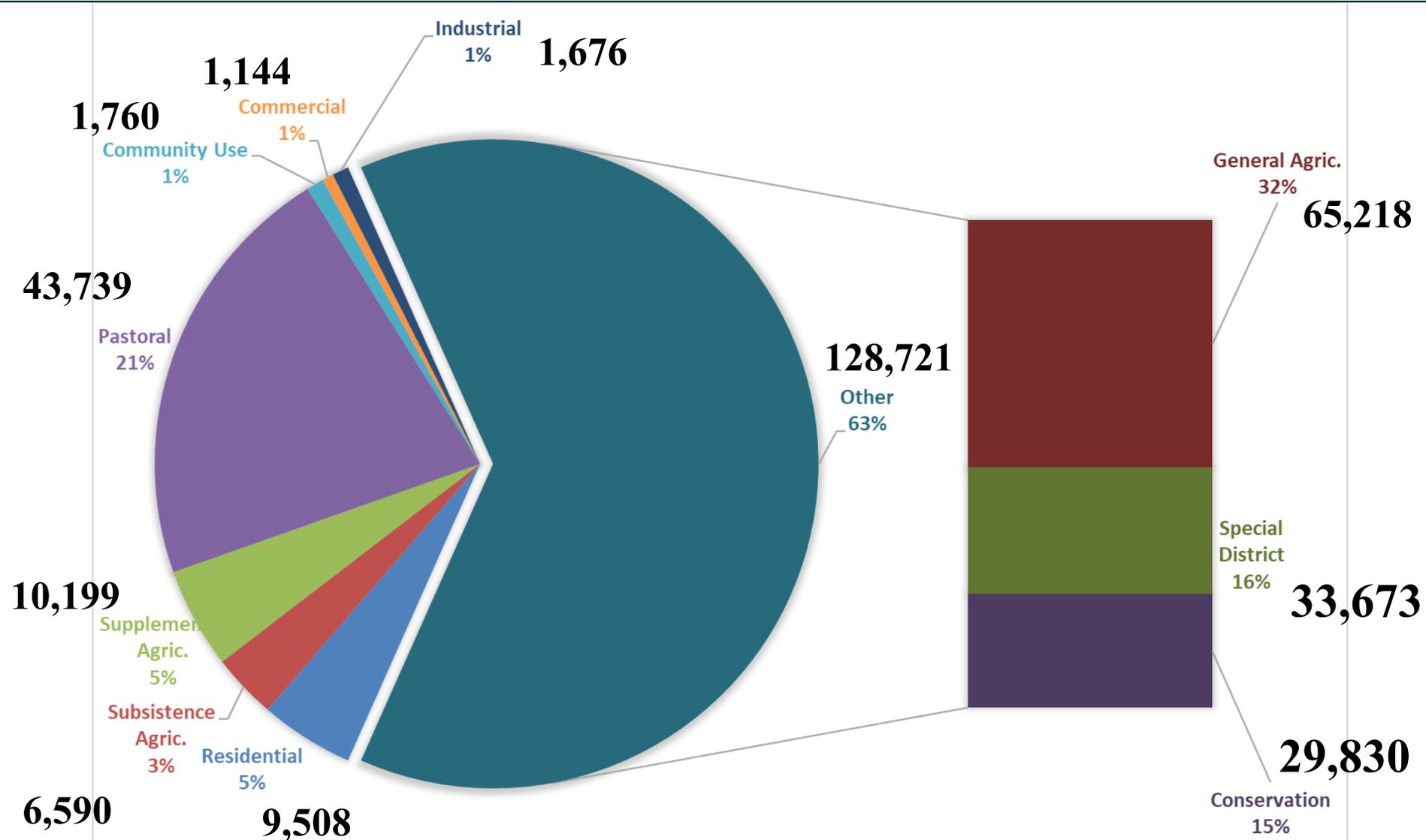
Loans

DHHL Funds	\$7,700,000
NAHASDA	\$8,000,000
TOTAL	\$15,700,000

*Does not include monies already approved and carried over to 2nd FY



DHHL STATEWIDE LAND INVENTORY BY DESIGNATION



TODAY'S DISCUSSION

- `Aina Mauna status update**
 - Feral Cattle removal RFPs**





DEPARTMENT OF HAWAIIAN HOME LANDS

Authorization for Issuance of
Land Licenses for the
Aina Mauna Feral Cattle Removal Project
Humuula and Piihonua Sections,
Island of Hawaii

Briefing to Senate Committee on Hawaiian Affairs

May 1, 2019



DEPARTMENT OF HAWAIIAN HOME LANDS





URGENCY OF CATTLE REMOVAL



Strong link between cattle and the spread of Rapid Ohia Death



Cattle inhibits native forest restoration which makes land more susceptible to spread of gorse.



Cattle Prohibits Koa Restoration





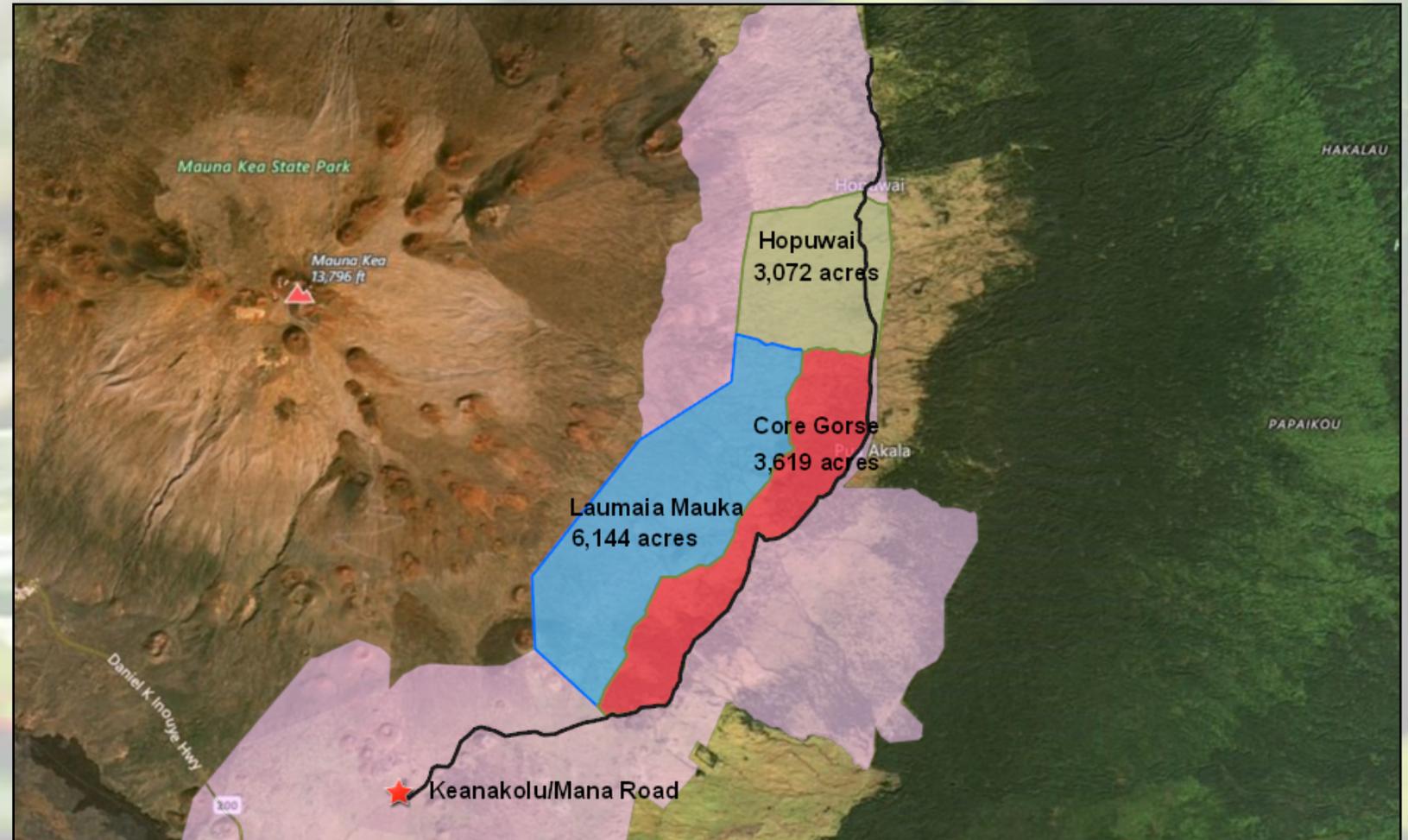
URGENCY OF CATTLE REMOVAL

- Feral Cattle Survey done in June – July 2017
 - Piihonua – 1,275 estimated cattle remaining
 - Humuula – 450 estimated cattle remaining
- Based on estimated population growth of 34% for 3-year success
 - Piihonua – 740 cattle must be removed per year
 - Humuula – 260 cattle must be removed per year
 - Rate of removal to be explicit in future Licenses
- DHHL looking at issuance of two (2) Licenses for two (2) areas to reduce cattle population



Humuula Section

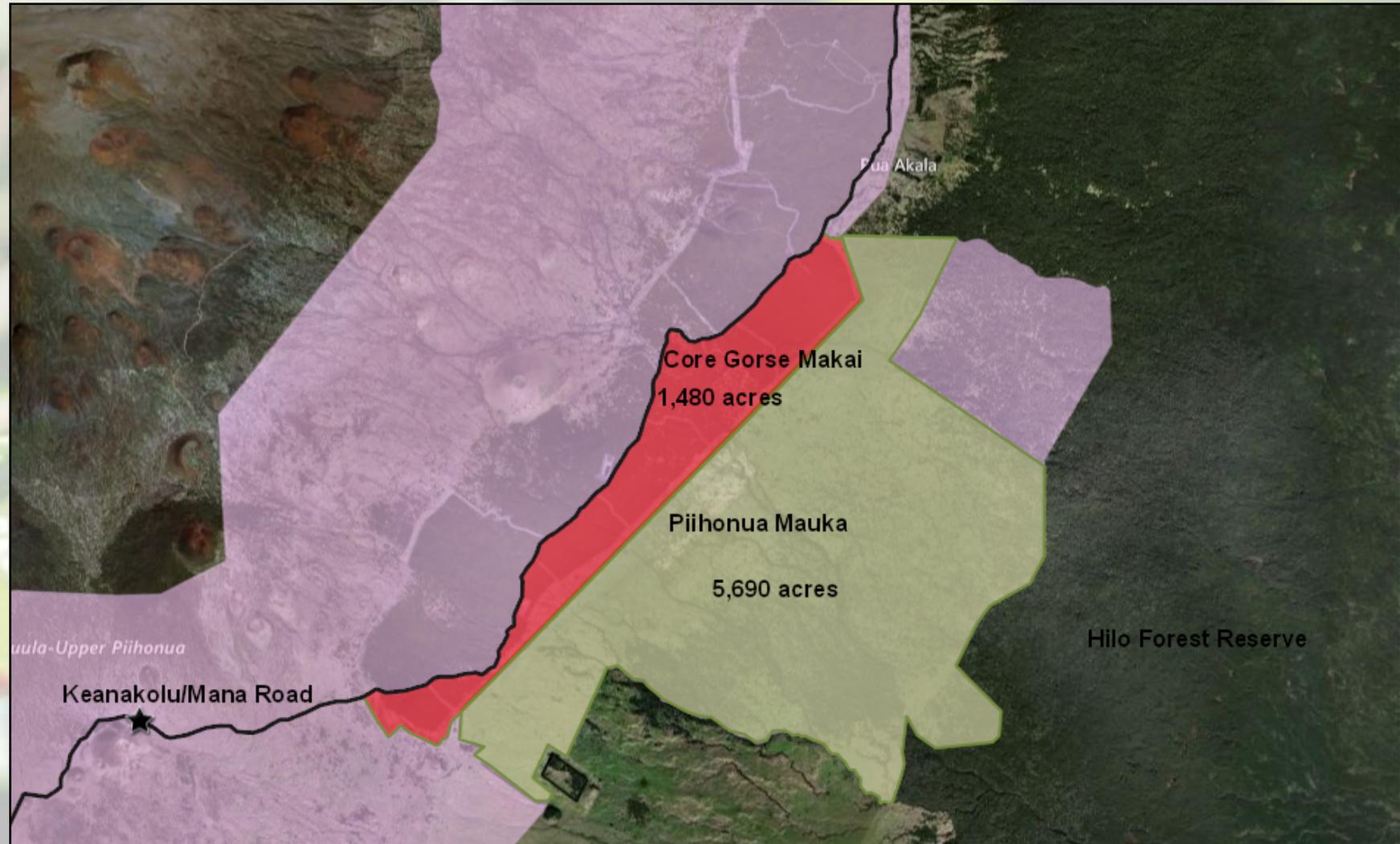
- 12,835 Acres
- 450 cattle
- Zoned Agricultural, Conservation
- Large areas of gorse infestation
- Planned uses: Timber for gorse control, future homesteading opportunities, Native mamane reforestation, Sustainable koa forestry





Piihonua Section

- 7,170 Acres
- 1,275 Cattle Remaining
- Zoned Agricultural, Conservation
- Large portion of remnant koa/ohia forest
- Planned uses:
Sustainable koa forestry,
Native koa/ohia reforestation, Timber for gorse control, Future homesteading opportunities.





Feral Cattle Removal License

- LEGAL AUTHORITY

- §204(a)(2), Hawaiian Home Commission Act, 1920, as amended
- §171-54, Land License, Hawaii Revised Statutes, as amended

- SOLICITATION PROCESS

- IN ACCORDANCE WITH **HRS 103D-303** COMPETITIVE SEALED PROPOSALS



Feral Cattle Removal License Selection Criteria

- Previous 2010 Cattle Removal License Selection Criteria
 - Income to DHHL (price per head) 40% of score
 - Project Plan and Proposal (how are they going to remove cattle) 15% of score
 - Experience and Capability of Applicant 30% of score
 - Beneficiary Benefit 15% of score



Feral Cattle Removal License Selection Criteria

Beneficiary Feedback – Whoever receives the license, needs to provide benefits to beneficiaries

- “New RFP should have the requirement of delivering meat”
- “The meat from Humuula has been the best for our communities. It is a food resource.”



Feral Cattle Removal Solicitation Selection Criteria

2010 Criteria

- Income to DHHL 40% of score
- Project Plan and Proposal 15% of score
- Experience and Capability of Applicant 30% of score
- Beneficiary Benefits 15% of score

2018 Criteria

- Income to DHHL **10%** of score
- Project Plan and Proposal **30%** of score
- Experience and Capability of Applicant 30% of score
- Beneficiary Benefits **30%** of score



Feral Cattle Removal License Solicitation Process & Timeline

TIME FRAME	SOLCITATION PROCESS
OCTOBER 10, 2018	Request for Proposals (RFP) notification published in Hawaii County newspapers and on DHHL Website
OCTOBER 24, 2018	Site visit conducted with potential RFP applicants
NOVEMBER 2018	RFP applicants submit questions they have on the RFP and DHHL responded to questions
DECEMBER 3, 2018	Proposals are due
DECEMBER 4-20, 2018	Proposals were evaluated and scored by selection committee and recommendations made for two vendors
DECEMBER 28, 2018	Chairman approved recommendations of the selection committee
MAY 20-21, 2019	Seek Hawaiian Homes Commission authorization to enter into license agreement with the two selected vendors

Purpose: Article XII Section 1

...“The legislature shall make sufficient sums available for the following **purposes**:

(1) development of home, agriculture, farm, and ranch **lots**;

(2) home, agriculture, aquaculture, farm and ranch **loans**;

(3) **rehabilitation projects** to include, but not limited to, educational, economic, political, social and cultural processes by which the general welfare and conditions of native Hawaiians are thereby improved;

(4) **the administration and operating budget** of the department of Hawaiian home lands....”



“Hawaiian Homes Projects for the further rehabilitation of the Hawaiian race....”

Homesteading Program
(Residential, Agricultural,
Pastoral land leases)

Other Programs (HALE program,
Native Hawaiian Development program,
lands for community development, Aina
Mauna program, etc.)

Purpose 1:
Lots

Purpose 3 Rehab
Projects

Purpose 2: Loans

Purpose 4: Funding Administration and Operating Budget



“Affordable Housing on the Home Lands”

Homesteading Program
(Residential, Agricultural,
Pastoral land leases)

Purpose 1:
Lots

Purpose 2: Loans

Single family homeownership
Addresses waiting list

Other Programs (Rentals)

Purpose 3 Rehab
Projects

Multi-family and single family
rentals
Applicants remain on list

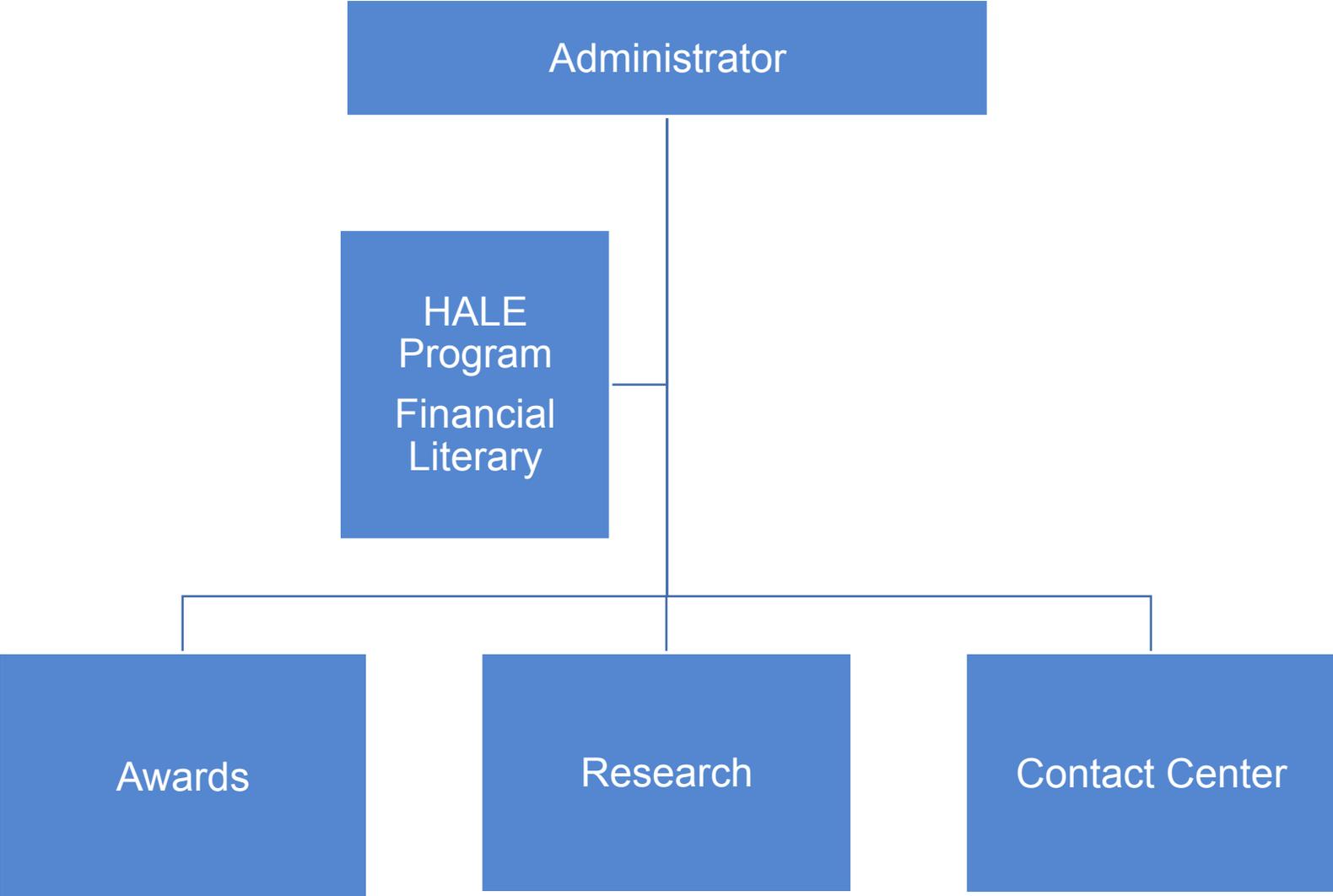


TODAY'S DISCUSSION

(4) the administration and operating budget of the department of Hawaiian home lands....”



CONTACT AND AWARDS SERVICES DIVISION



AWARDS

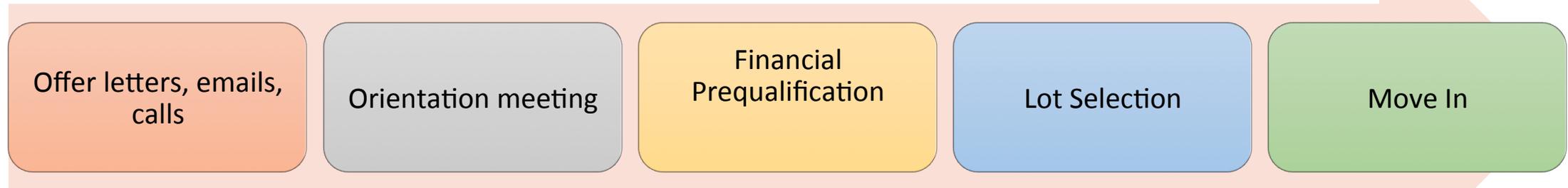
Focus:

Manage awarding of lots (*residential, agricultural, pastoral*) to beneficiaries Statewide

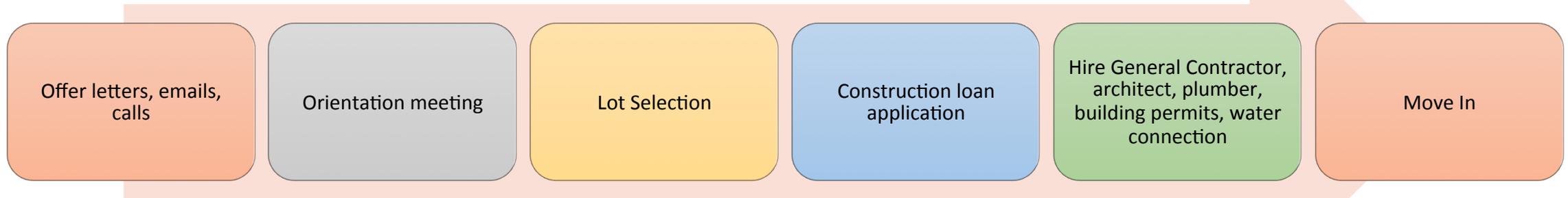


AWARDS PROCESS

Turn-key Awards Process – 6 to 8 months



Vacant Lot Awards Process – up to 2 years



AWARDS PRODUCTS

► Residential

- Turn Key
- Vacant Lot (*response to beneficiaries*)
 - Affordability and flexibility for beneficiaries
 - Choice of type and size of home from **Tiny homes** to **5bdrm/3bath Package home kits**
- Self-help via non-profit building partners *i.e. Habitat for Humanity*
- Rent with option to purchase
 - Ho' olimalima
- Multi-Product
 - La' i Opuu – Kona
 - Rental, Turn Key, Vacant Lot
- Multi-Use
 - Bowl-a-Drome
 - Rental with commercial

► Agricultural

- Ag lots – Ag plan
- Subsistence Ag lots – Honomu
- Requires farm use but not Ag plan
 - May build home but not required



AWARDS PARTNERS

▶ Lenders:

- Bank of Hawaii
- Home Street
- Other lenders are available to beneficiaries
- DHHL – Lender of last resort (HHC)

▶ Developers – Turn Key

- Gentry Homes
- Armstrong Builders

▶ Package Home Kits

- Honsador
- HPM
- Hardware Hawaii



CONTACT CENTER

Ho'okā'oi

To progress, go ahead, improve,
better; progressive.



HO' OKĀ' OI GOALS

- ▶ Assess Customer Experience with the DHHL via focus groups and surveys
- ▶ Establish baseline metrics of customer experience findings from research
- ▶ Identify solutions to address customer experience baseline findings



CUSTOMER RESEARCH

▶ Ward Research

- ▶ Research conducted May – July 2017
- ▶ Research included both lessees and applicants
- ▶ Most recent experience within last 3 years

1. Focus Group research – 8 sessions

- Oahu – 3 sessions
- Kauai
- Maui
- Molokai
- Big Island – Kona & Hilo

2. Surveys

- 2,000 mailed
 - 1,000 Lessees
 - 1,000 Applicants
- Response rate: 20%



BENEFICIARY FINDINGS AND PROPOSED SOLUTIONS

- ▶ Finding #1 – Answering and returning calls in a timely manner with knowledgeable information.
 - Solution: Contact Center

- Finding #2 – Department resolving issues and keeping beneficiary informed of their status in a timely manner.
 - Solution: Contact Center & Software Enhancements

- ▶ Finding #2 – Up to date website
 - Solution: Redesign to be more customer friendly/ease of use

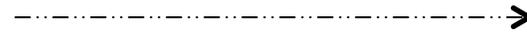


CUSTOMER SERVICE PROJECT: PLATFORMS



Telephone System
(Tracks **calls** – inbound)

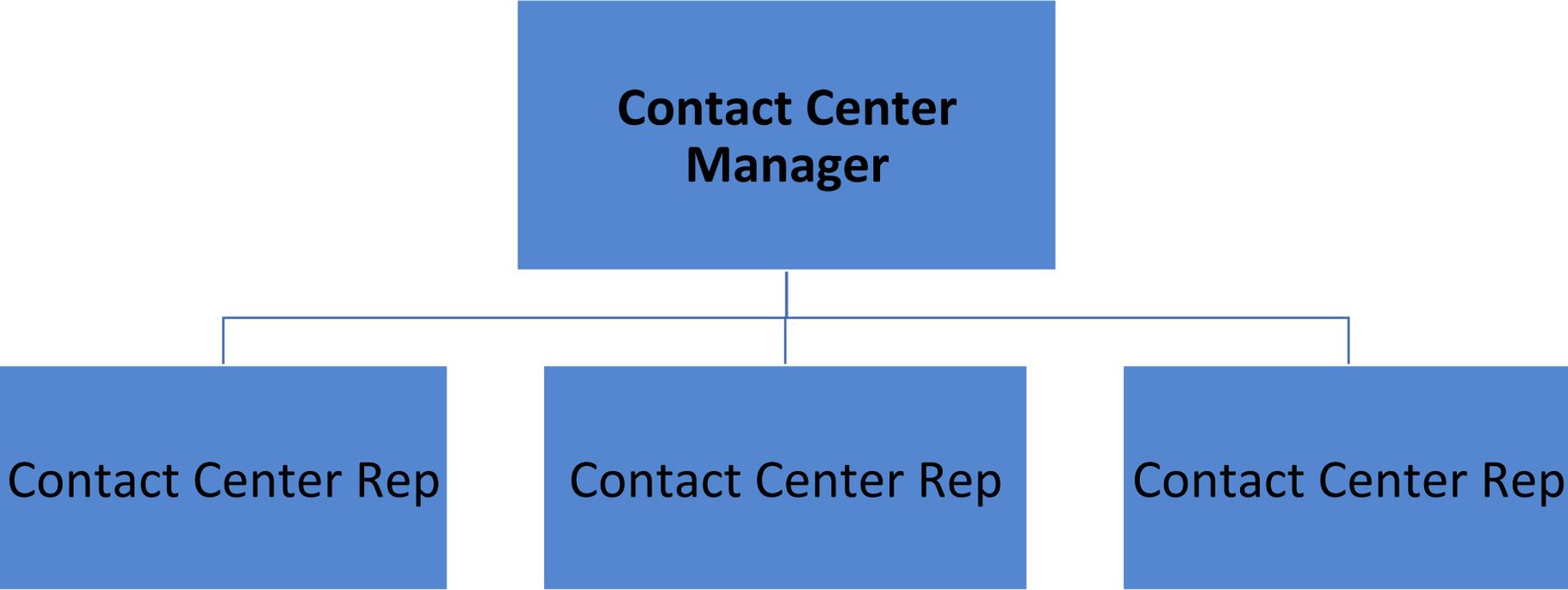
One stop resolution



Customer Relationship Management
(CRM)
(Tracks **cases**)



CONTACT CENTER STAFF



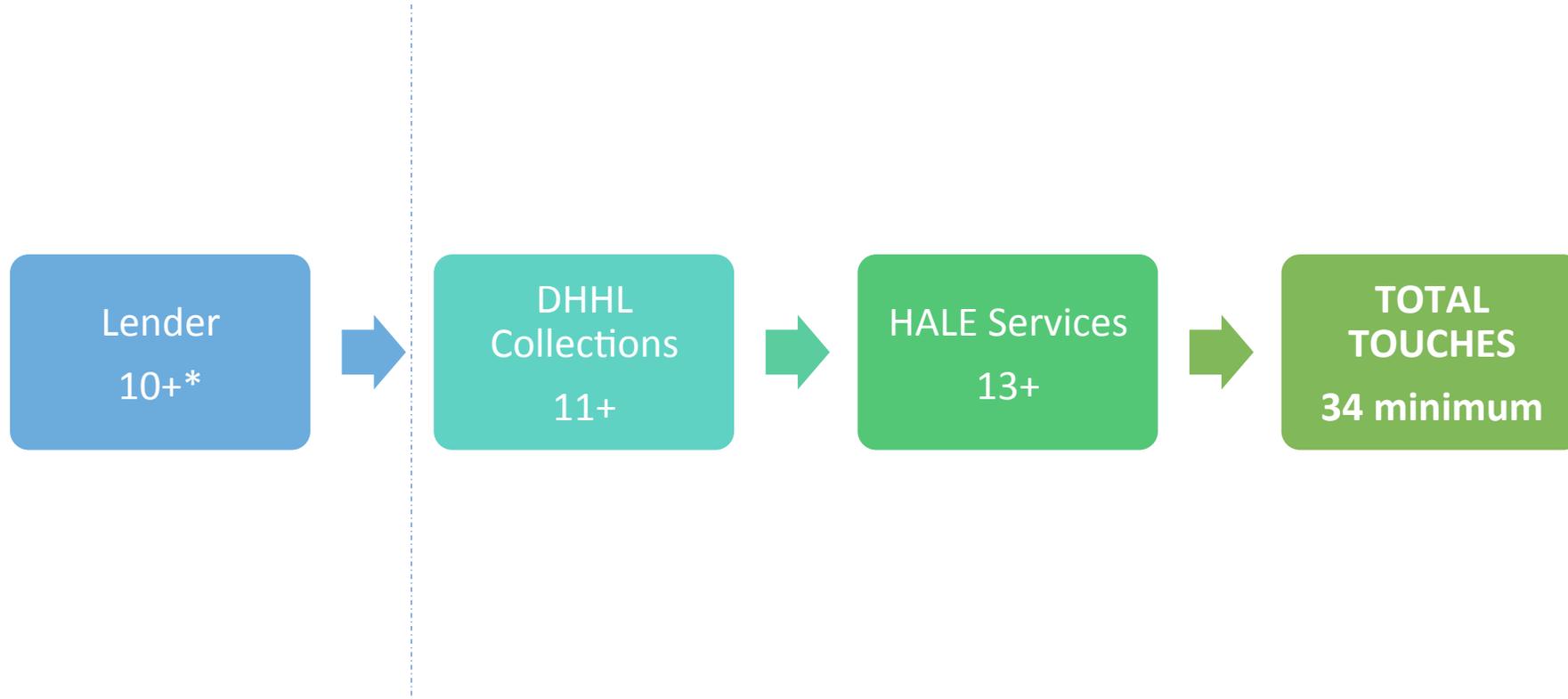
TODAY'S DISCUSSION

Lease cancellation (*Foreclosure*) prevention



DHHL LESSEE

FORECLOSURE/LEASE CANCELLATION PREVENTION TOUCHPOINTS



*estimated depending on loan type and lender policies



PURPOSE: ARTICLE XII SECTION 1

(1) development of home, agriculture, farm, and ranch **lots**;

DHHL's Lots and "Production Pipeline"



WHAT LOTS HAS DHHL COMPLETED

2017-2018 DHHL 292 lots were awarded or converted from rentals to homeownership



WHAT LOTS HAS DHHL COMPLETED

Kauluokahai, Kapolei



Hoolimalima, Kapolei



Kakaina (Waimanalo)



WHAT LOTS HAS DHHL COMPLETED



DHHL LOTS BEING OFFERED

DHHL began offering the first of 395 lots in February 2019



51 Anahola



37 Kānehili – Kapolei

60 Kauluokaha`i - Kapolei

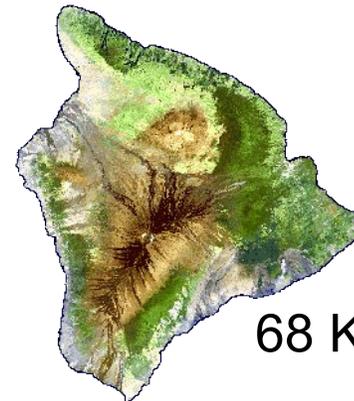


16 Lāna`i



118 La'i'Ōpua Village 4

45 La'i'Ōpua Village 5



68 Ka'ū and Maku`u



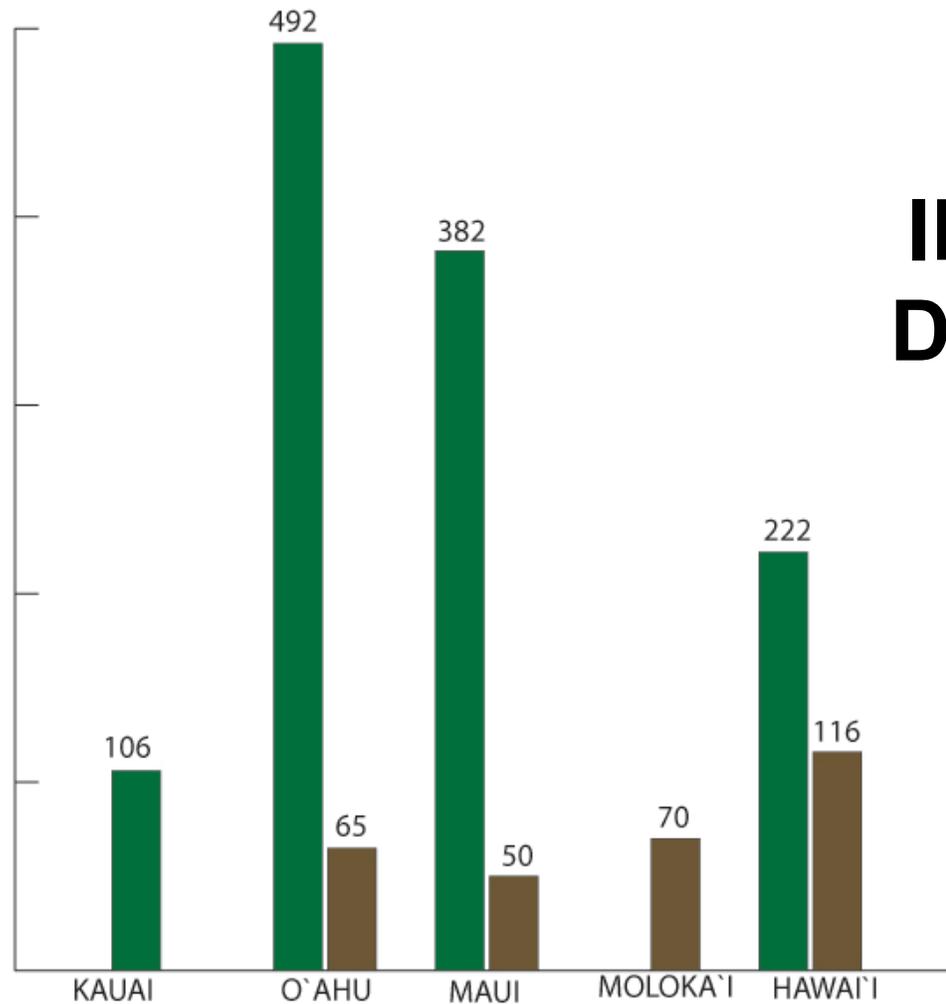
ASSESSING VACANT LOT INVENTORY

- DHHL staff submitted a vacant lot assessment to the Hawaiian Homes Commission in November 2018
- ***395** lots were determined ready to be offered
- Over **400** lots are in the care of either the Land Development Division or Homestead services division
 - ISSUES TO BE ADDRESSED INCLUDE:
 - Unexploded Ordnance
 - Military Blast Zone
 - Drain mitigation
 - Slope mitigation
 - Contested Cases



WHAT IS IN THE PIPELINE?

DHHL - PROJECTED LOTS



OVER *1300 LOTS
IN THE PIPELINE TO BE
DEVELOPED OVER THE
NEXT 5 YEARS

RESIDENTIAL
AG OR PASTORAL

*Assuming funding is available



Wai'anae Valley, Increment 4



EAST KAPOLEI, O'AHU



University of Hawaii
West Oahu

Kualaka'i Parkway

Ho'opili

Incr II-C

Incr II-B

Incr II-A

Kānehili

Kauluokahai

Hale
Kalani'ana'ole

Kapolei Parkway

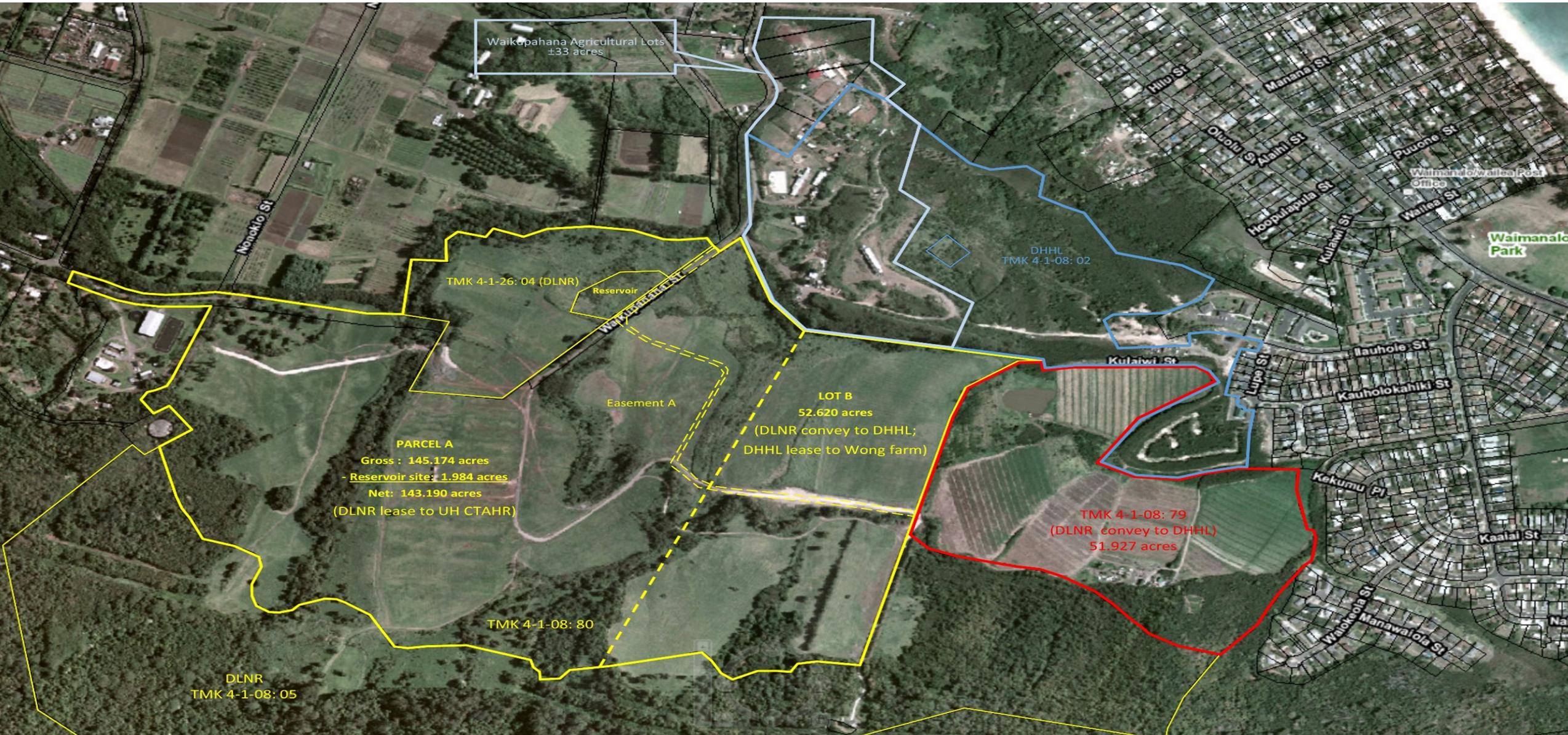
Ko Māka'ala Ali'i



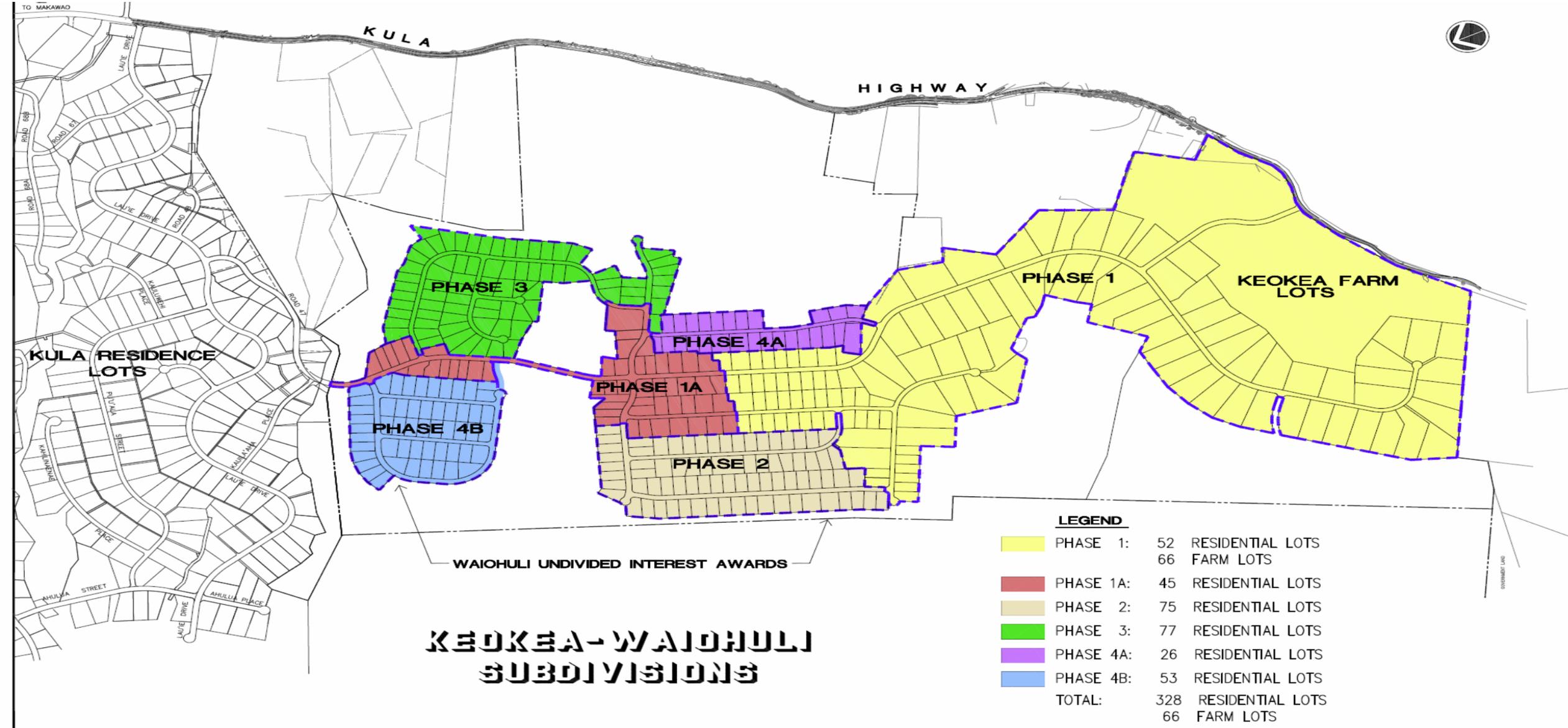
DEPARTMENT OF HAWAIIAN HOME LANDS

June 2017

WAIMANALO RESIDENTIAL & AGRICULTURAL LOTS



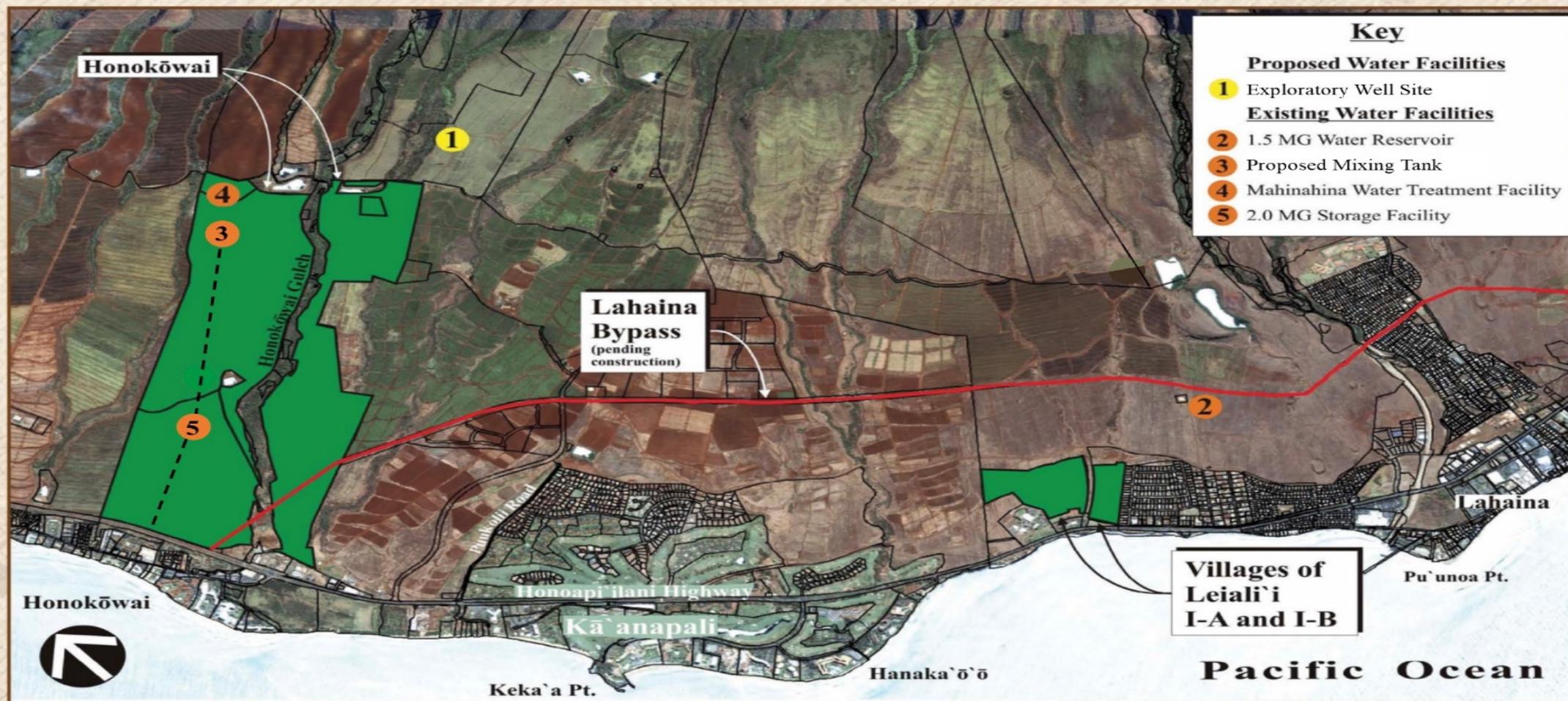
WAIQHULI RESIDENTIAL LOTS, KEOKEA FARM LOTS, MAUI



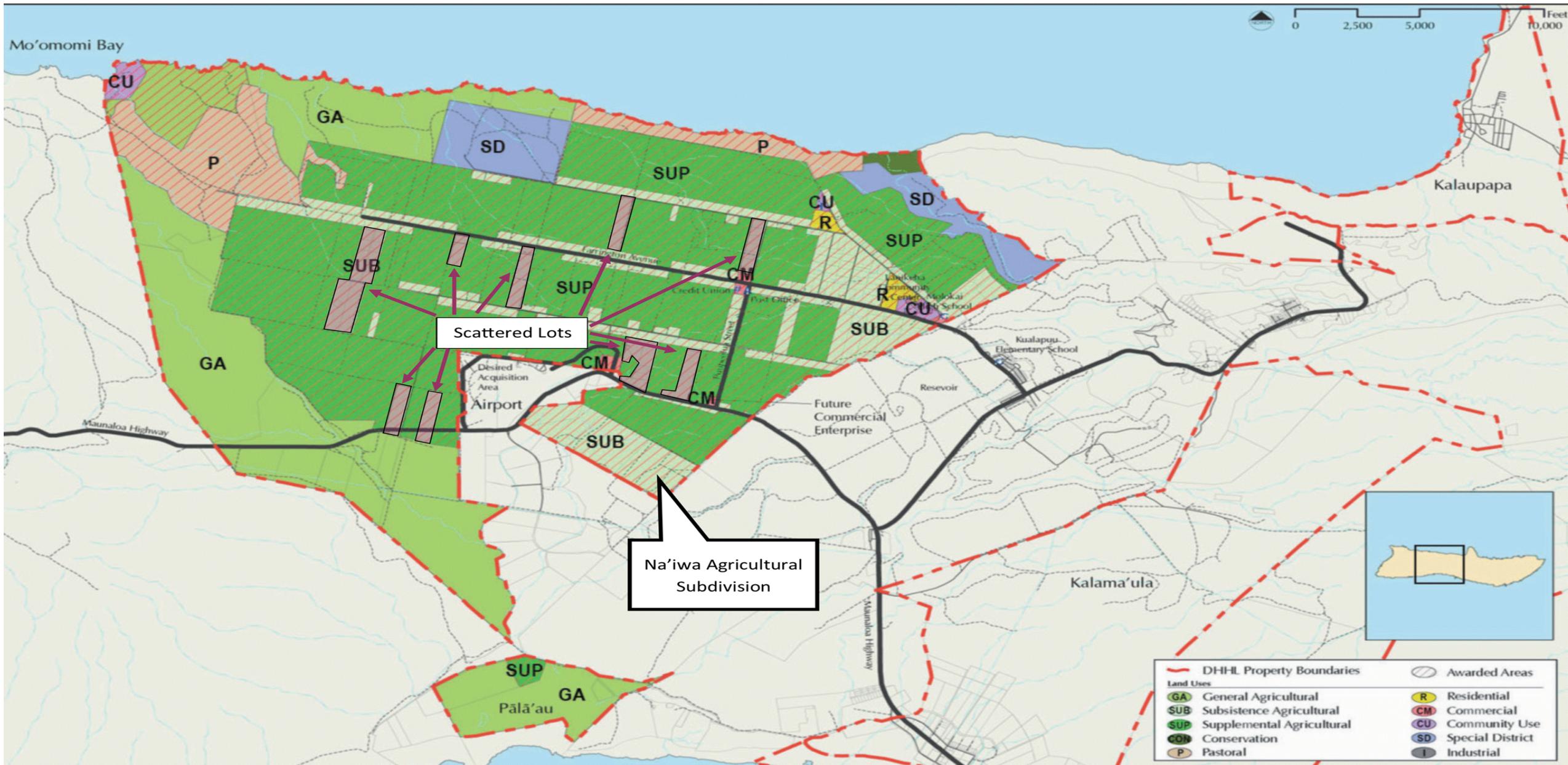
KEOKEA-WAIQHULI SUBDIVISIONS

HONOKOWAI – VILLAGES OF LEIALI'I, MAUI

Infrastructure - Water



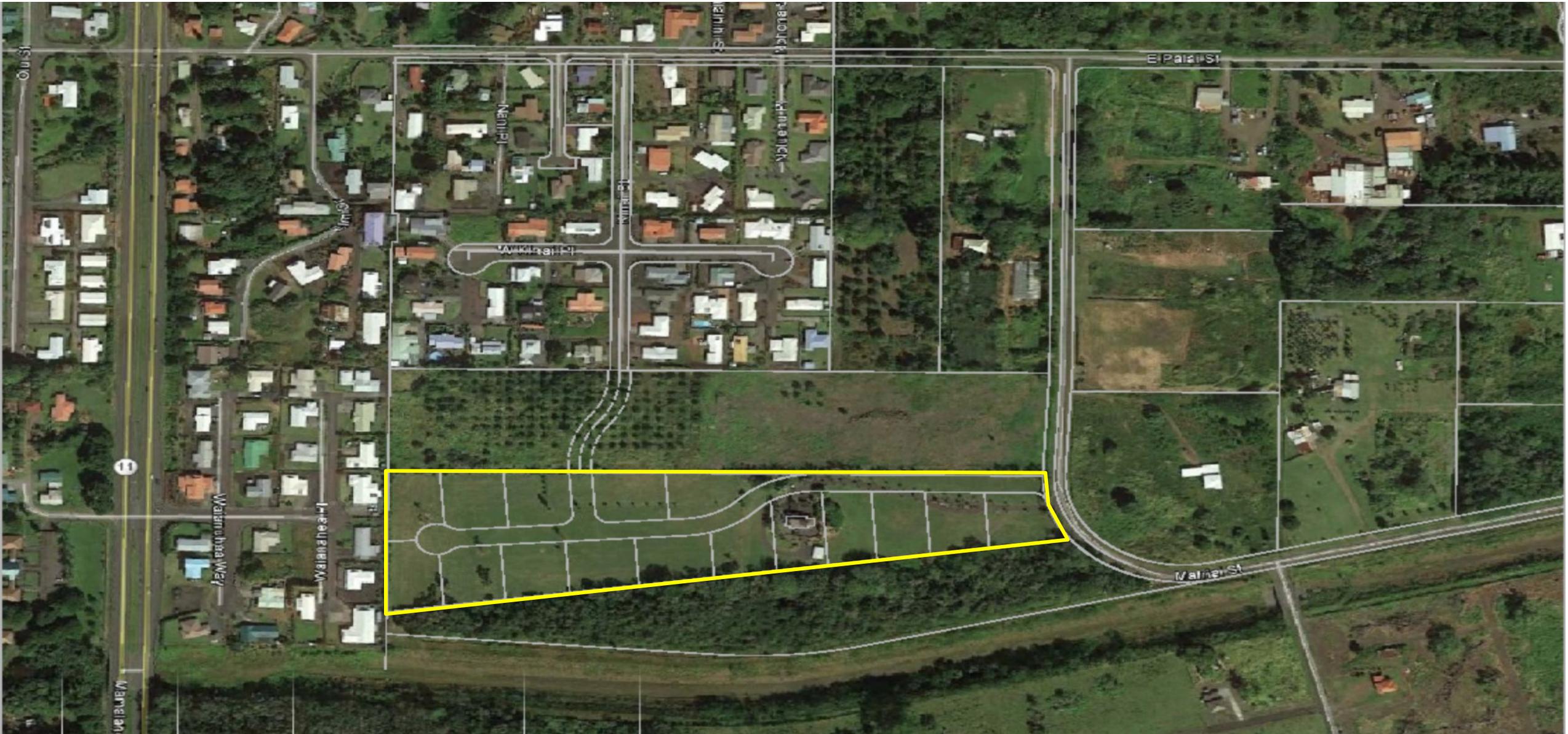
HOOLEHUA SCATTERED LOTS & NAIWA AGRICULTURAL LOTS, MOLOKAI



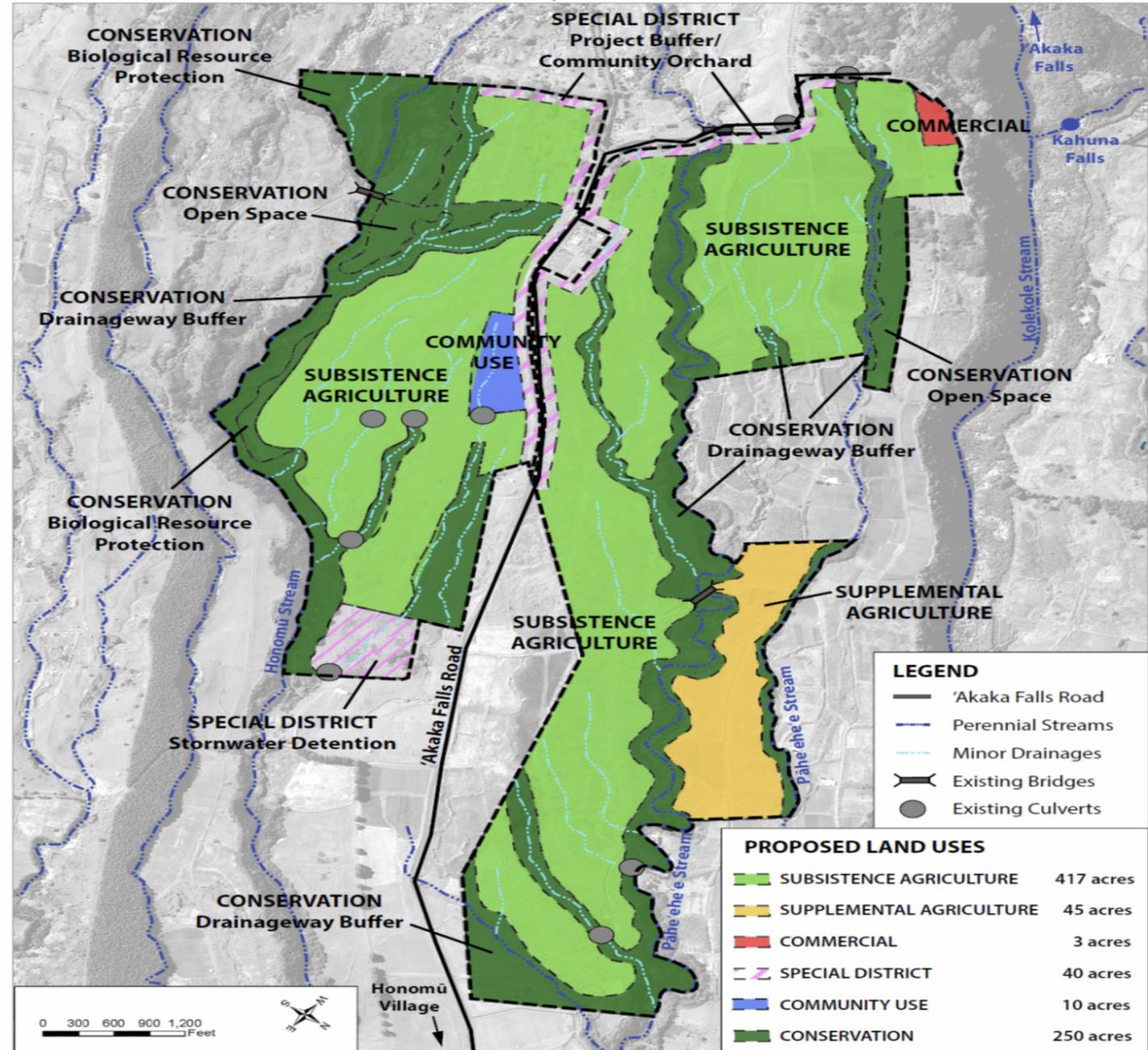
VILLAGES OF LA'I 'OPUA, KEALAKEHE, HAWAII



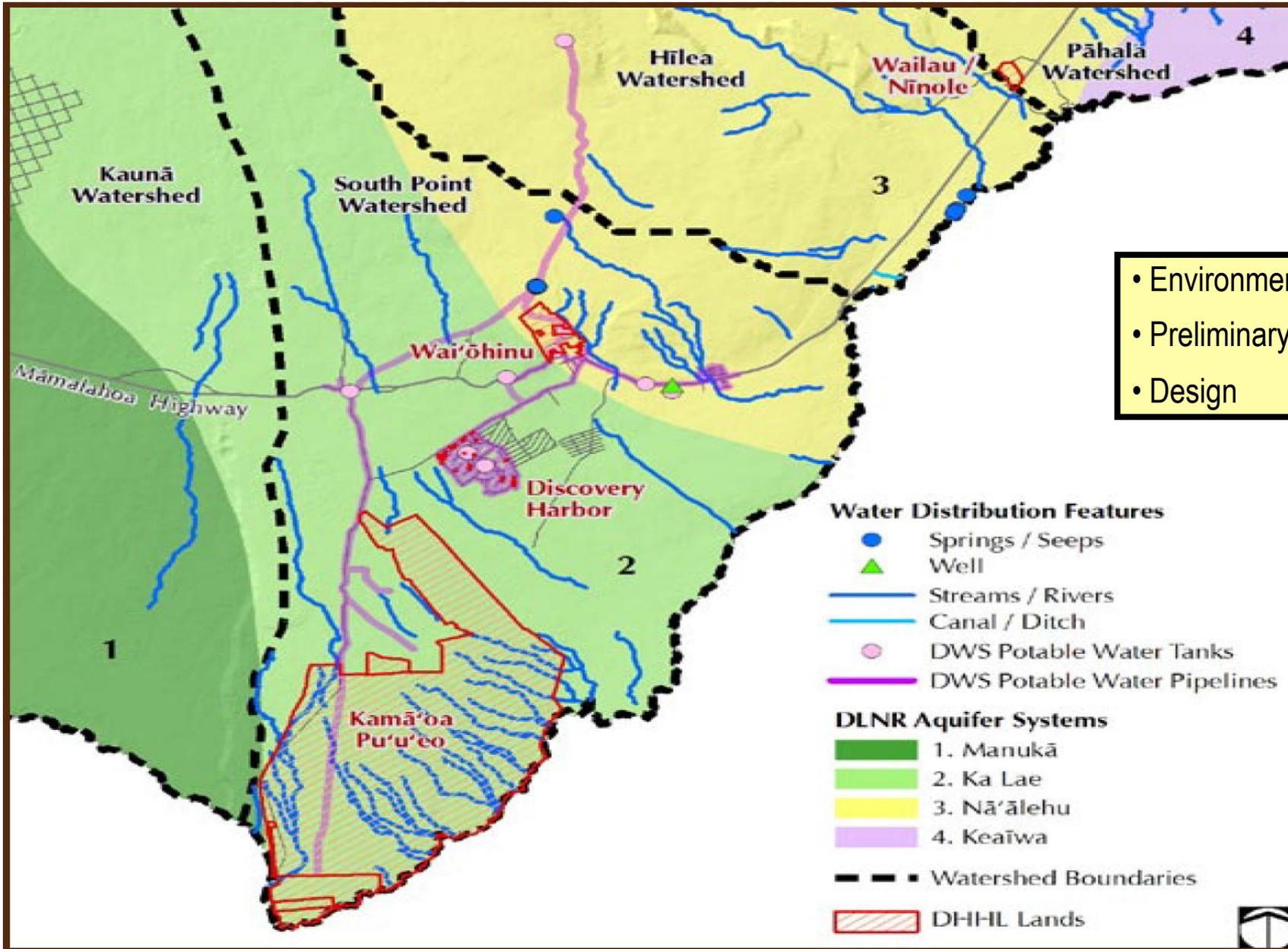
PANAEWA SUBSISTANCE AGRICULTURAL LOTS



HONOMU SUBSISTENCE AGRICULTURAL COMMUNITY

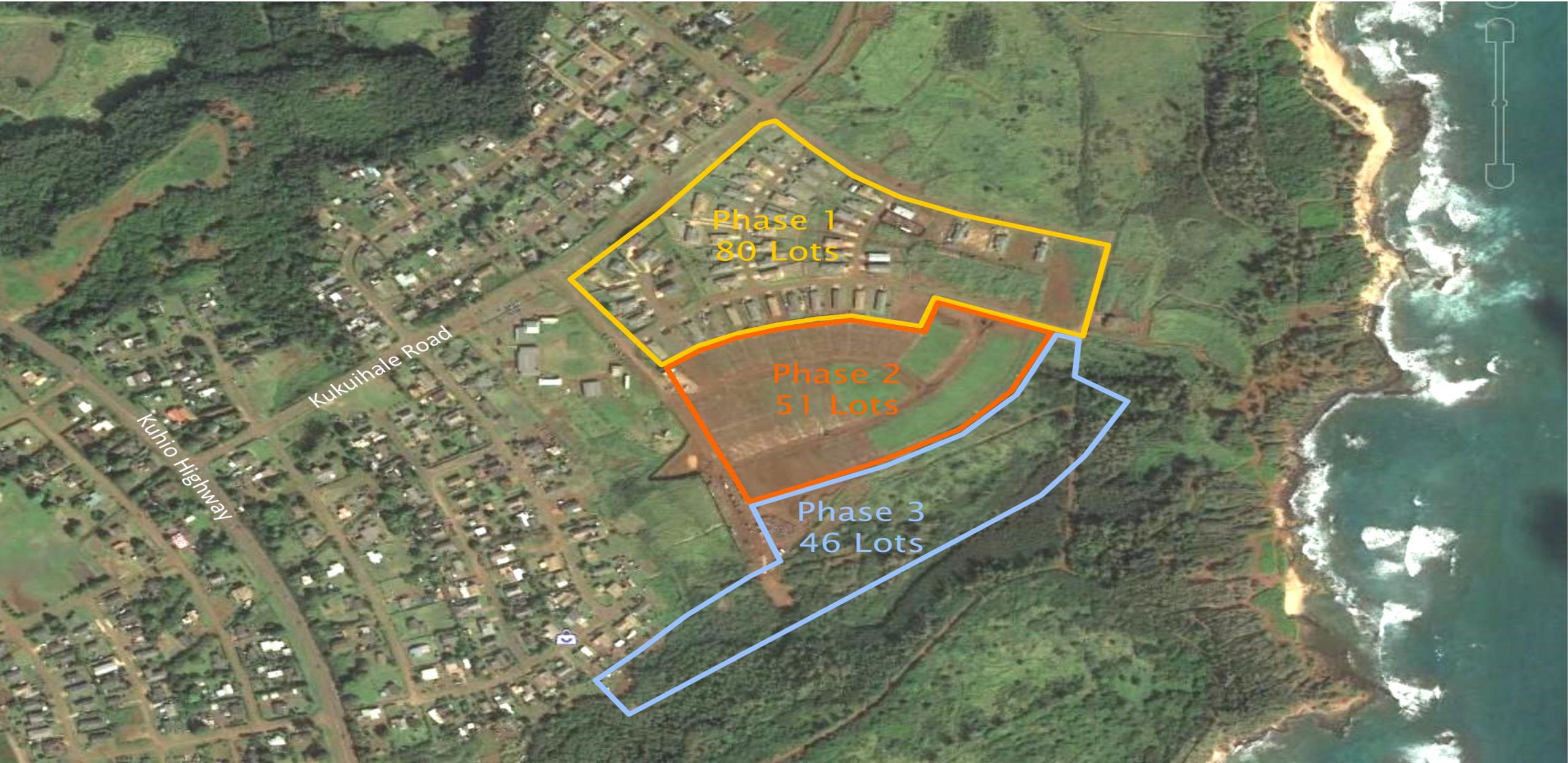


KAU WATER SYSTEM, HAWAII



- Environmental Review Record
- Preliminary Engineering Report
- Design

PI'ILANI MAI KE KAI, ANAHOLA, KAUAI



Phase 1
80 Lots

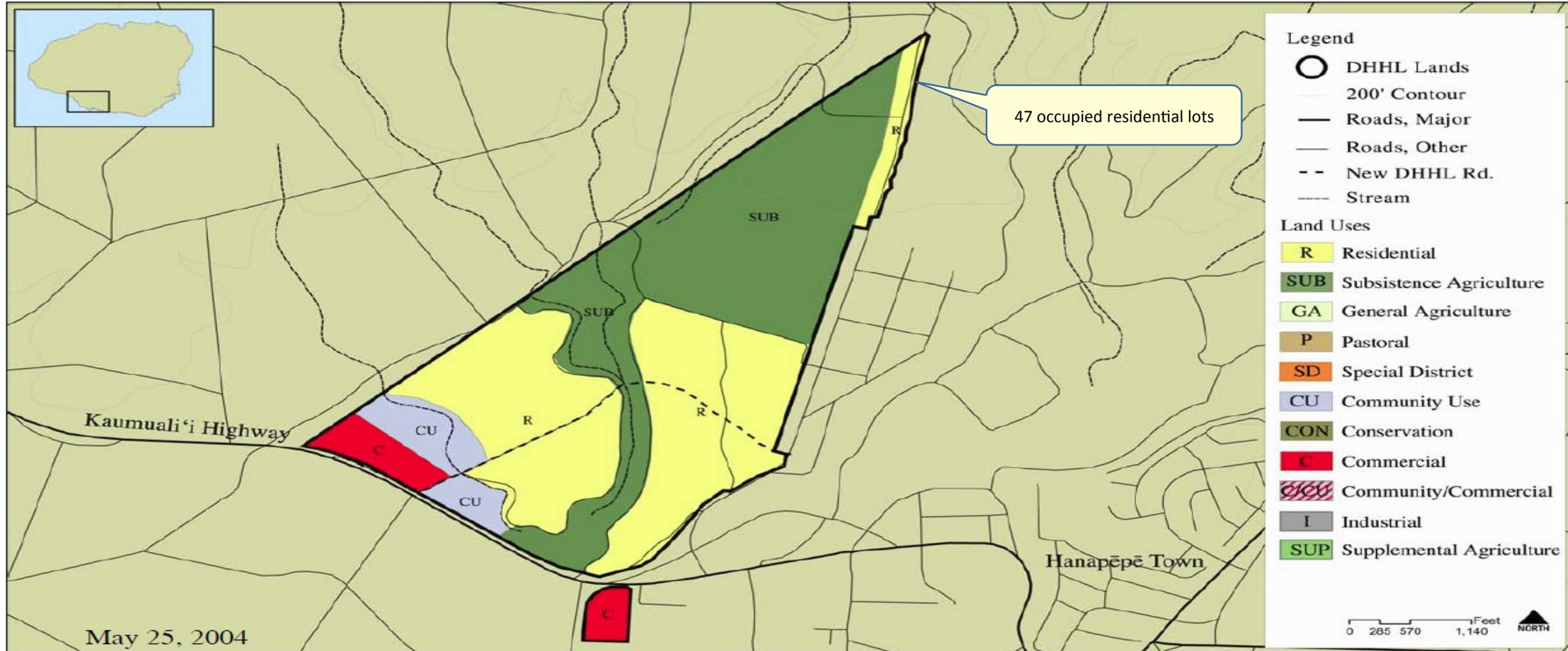
Phase 2
51 Lots

Phase 3
46 Lots

Kukuiahle Road

Kuhio Highway

HANAPEPE, KAUA'I



R = 168 acres; 482 lots @ 10,000 sf
 SUB = 158 acres; 13 lots @ 3 acres & 36 @ 2 acres

CU = 22 acres; 7 acres along Hwy & 15 acres behind Commercial
 C = 17 acres; 6 acres makai & 11 acres mauka

PURPOSE: ARTICLE XII SECTION 1

(3) **rehabilitation projects** to include, but not limited to, educational, economic, political, social and cultural processes by which the general welfare and conditions of native Hawaiians are thereby improved;



TODAY'S DISCUSSION

Homestead Associations Capacity Building



REGIONAL PLANS

22 Regional Plans across the State

- Pana'ewa Regional Plan Update
- Kaumana-Pi'ihonua Regional Plan
- Nanakuli Regional Plan Update
- Wai'anae and Lualualei Regional Plan Update
- Moloka'i Regional Plan Update
- Papakolea Regional Plan Update
- Kealakehe Regional Plan Update



DHHL GRANTS AWARDED TO ORGANIZATIONS

\$ 981,118 in DHHL Grants awards to Homestead Associations from 2014-2018

Agricultural Peer-to-Peer, Capacity Building and Regional Plan Priority Projects



HOMESTEAD ASSOCIATIONS CAPACITY BUILDING

College of Tropical Agriculture and Human Resources (CTAHR)

DHHL maintains a service agreement which enables extension agents to exclusively serve beneficiaries. The agents provide educational and technical assistance services to increase the number of successful Hawaiian home lands agricultural and pastoral homestead lessees' by increasing their knowledge of commercial and subsistence agricultural production, gaining access to financial assistance, training in best management practices, marketing, financial and business skills.

CES has touched 1500 homesteaders and 750 applicants statewide and has provided TA to approximately 500 beneficiaries. CES has conducted workshops on farm planning, crop selection, use of pesticides, fertilizers, green house operation, hydroponics and natural farming techniques.

CES agents have worked one-on-one with approximately 350 beneficiaries to develop individual farm and ranch plans. As a result, 250 farm and ranch plans have been submitted. Approximately 150 farm and ranch operations have started and currently exist today.



DHHL booth at the 2016 Taste of the Hawaiian Range event



HOMESTEAD ASSOCIATIONS CAPACITY BUILDING

In 2016 and 2018, the DHHL held **PUWALU DISCUSSIONS** that brought native Hawaiian beneficiary leaders together to share priorities for their communities. These priorities provided by the beneficiaries were identified and sorted according to the purposes provided by Article XII, Section 1 of the State Constitution and **INCLUDED** in the Department's Fiscal Biennium requests.



HOMESTEAD ASSOCIATIONS CAPACITY BUILDING

Hawaii Agricultural Conference

DHHL provided tuition and travel for a set amount of agriculture homesteads and those on the DHHL agriculture homestead waitlist to participate in the Hawaii Agricultural Conference in partnership with the Agricultural Leadership Foundation in Hawaii.

Ag Peer-to-Peer Grantee/Ag Program	16
Ag Applicant	8
Ag Homestead Association	23
DHHL staff /HHC	8
Ag Lessee	23
Ag Successor	2
Total	80



HOMESTEAD ASSOCIATIONS CAPACITY BUILDING

Leadership Training

- Leadership curriculum developed by The Ford Family Foundation
- Training style employs highly interactive and participant-centered training
- Goal: to enhance and strengthen the knowledge and skills of emerging and current leaders

2012 – Hilo

2014 – Maui

2017 - Ka'ū

2018 - Moloka'i



HOMESTEAD ASSOCIATIONS CAPACITY BUILDING

Water Law & Advocacy Training

- Kalama'ula, Moloka'i on 4/14/18
- Lahaina, Maui on 6/2/18
- Ha'iku, Maui on 6/16/18
- Anahola, Kaua'i on 8/15/18
- Kekaha, Kaua'i on 8/16/18
- Lana'i City, Lana'i on 12/1/18
- Wai'anae, O'ahu on 12/15/18
- Kawaihae/Waimea on 5/18/19
- Ka'u, Hawai'i on 7/17/19
- Hilo, Hawai'i TBD



TODAY'S DISCUSSION

Federal Funding Plan



FEDERAL FUNDING PLAN

The Native Hawaiian Housing Block Grant (NHHBG) Native Hawaiian Housing Plan was approved by the Hawaiian Homes Commission in April 2019 for July 1, 2019 thru June 30, 2020

•2019 CIP	\$ 350,000
•Developer Financing	\$5,000,000 (<i>Rent-with-option-to-purchase; affordable units</i>)
•HALE Risk Mitigation	\$ 50,000
•Homeowner Financing	\$1,280,000
•Home Assistance Program	\$ 400,000
•Emergency Financing	\$ 200,000
•Rental Operating Subsidy	\$ 250,000
•Rental Vouchers	\$ 20,000
•Planning and Administration	\$ 500,000
•TOTAL	\$8,050,000



TODAY'S DISCUSSION

Mō‘ili‘ili project update



DEPARTMENT OF HAWAIIAN HOME LANDS
**820 ISENBERG STREET
REDEVELOPMENT**



DEPARTMENT OF HAWAIIAN HOME LANDS



PBR HAWAII
& ASSOCIATES, INC.

Briefing to Senate
Committee on
Hawaiian Affairs
May 1, 2019

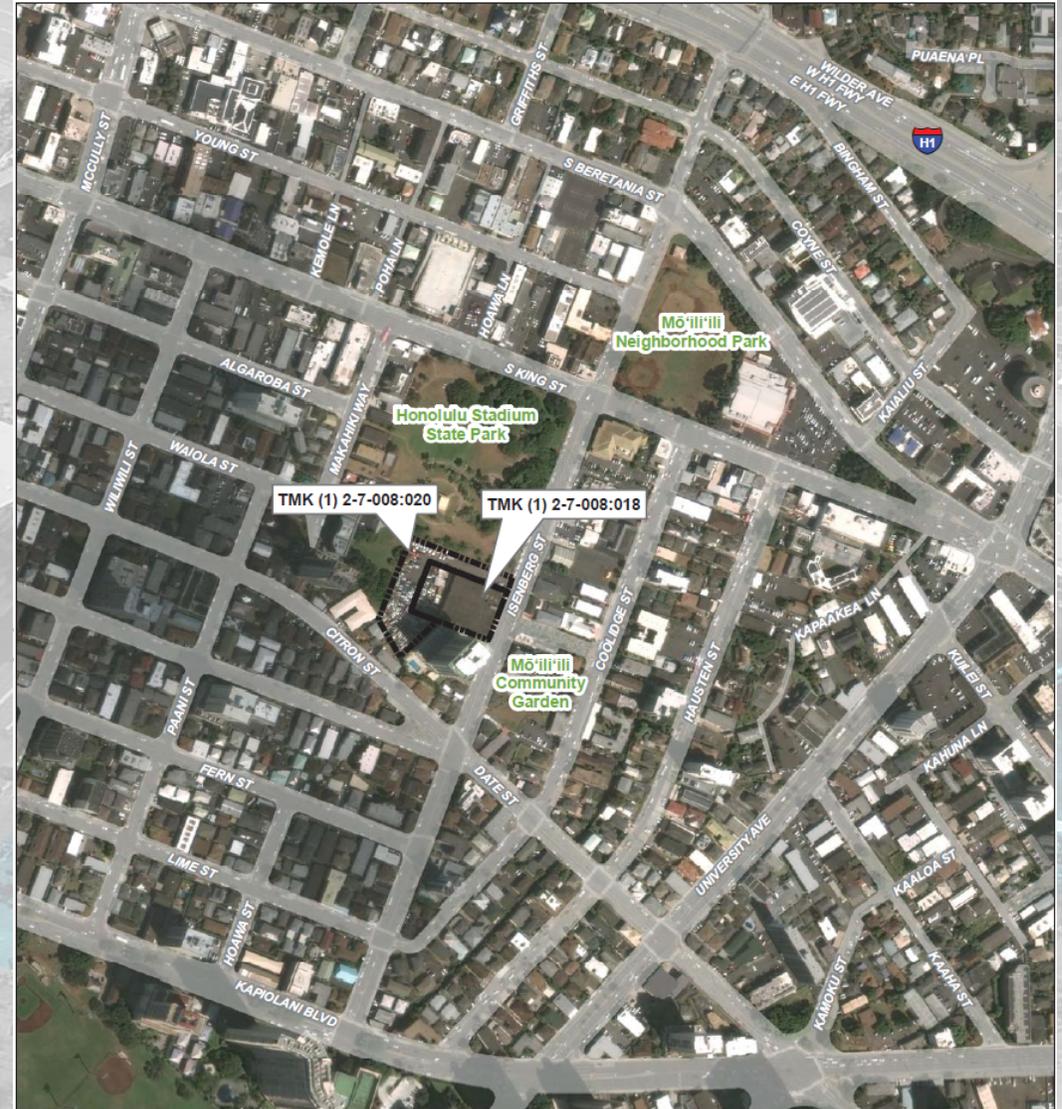


Project Goals and Purpose

- **Provide affordable housing opportunities for DHHL beneficiaries; and**
- **Increase revenue generation for DHHL programs**
- **Develop site consistent with existing neighborhood characteristics**



PROJECT LOCATION



PROJECT OVERVIEW

Site Description



**Address: 820 Isenberg Street, Hon, HI
96826**

**Moku: Honolulu (Kona)
Ahupua'a: Waikīkī/Mānoa**

- 1920-50' s race car pit
- 1955 bowling facility constructed
- 1995 property transferred to DHHL
- 2004 Bowl o Drome closed
- leased by an automobile towing company until early 2017
- Currently unoccupied



PROJECT COMPLETED TASKS

- ✓ Technical studies (environmental, archaeological, civil engineering, etc.)
- ✓ Environmental Impact Statement Preparation Notice published
- ✓ Community Engagement initiated (Beneficiary info meeting, EIS scoping meeting, Neighborhood Board)



TASKS IN PROGRESS

- ✓ Building security measures (on-going)
- ✓ Draft Request for Proposals (not released)
- ✓ Draft EIS (not released)

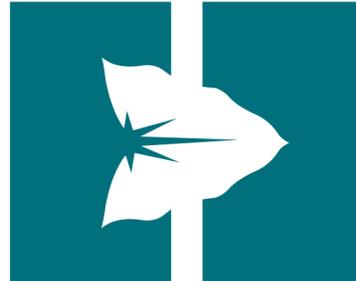


2019 GOALS

- ✓ Release RFP
- ✓ Complete Draft EIS
- ✓ Advance building clean up and demolition



MAHALO



DEPARTMENT OF HAWAIIAN HOME LANDS

